

**ASSEMBLY BILL**

**No. 359**

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**Introduced by Assembly Member Holden  
(Principal coauthor: Assembly Member Allen)**

February 14, 2013

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An act to amend Section 1936 of the Civil Code, relating to vehicle rental agreements.

LEGISLATIVE COUNSEL'S DIGEST

AB 359, as introduced, Holden. Vehicle rental agreements: customer facility charge.

Existing law governs contracts between rental car companies and their customers. Existing law authorizes a company that rents passenger vehicles to the public to collect a customer facility charge, which means a fee that is required by an airport to be collected to finance, design, and construct airport car rental facilities, transportation systems, and terminal modifications, if specified circumstances apply. Existing law requires the aggregate amount collected from customer facility charges not exceed the reasonable costs, determined based on an independent audit, to finance, design, and construct those facilities.

This bill would remove the audit requirement in relation to determining the aggregate amount of the customer facility charge and would make related revisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 1936 of the Civil Code, as amended by Section 2 of Chapter 32 of the Statutes of 2012, is amended to read:

1936. (a) For the purpose of this section, the following definitions shall apply:

(1) “Rental company” means a person or entity in the business of renting passenger vehicles to the public.

(2) “Renter” means any person in a manner obligated under a contract for the lease or hire of a passenger vehicle from a rental company for a period of less than 30 days.

(3) “Authorized driver” means (A) the renter, (B) the renter’s spouse if that person is a licensed driver and satisfies the rental company’s minimum age requirement, (C) the renter’s employer or coworker if he or she is engaged in business activity with the renter, is a licensed driver, and satisfies the rental company’s minimum age requirement, and (D) a person expressly listed by the rental company on the renter’s contract as an authorized driver.

(4) (A) “Customer facility charge” means any fee, including an alternative fee, required by an airport to be collected by a rental company from a renter for any of the following purposes:

(i) To finance, design, and construct consolidated airport car rental facilities.

(ii) To finance, design, construct, and operate common-use transportation systems that move passengers between airport terminals and those consolidated car rental facilities, and acquire vehicles for use in that system.

(iii) To finance, design, and construct terminal modifications solely to accommodate and provide customer access to common-use transportation systems.

(B) The aggregate amount to be collected shall not exceed the reasonable costs, ~~as determined by an independent audit paid for by the airport,~~ costs to finance, design, and construct those facilities. Copies of the ~~audit~~ *customer facility charge information* shall be provided to the Assembly and Senate Committees on Judiciary, the Assembly Committee on Transportation, and the Senate Committee on Transportation and Housing. ~~In the case of a transportation system, the audit also shall consider the reasonable costs of providing the transit system or busing network.~~

1 Notwithstanding clause (iii) of subparagraph (A), the fees  
2 designated as a customer facility charge shall not be used to pay  
3 for terminal expansion, gate expansion, runway expansion, changes  
4 in hours of operation, or changes in the number of flights arriving  
5 or departing from the airport.

6 (C) Except as provided in subparagraph (D), the authorization  
7 given pursuant to this section for an airport to impose a customer  
8 facility charge shall become inoperative when the bonds used for  
9 financing are paid.

10 (D) If a bond or other form of indebtedness is not used for  
11 financing, or the bond or other form of indebtedness used for  
12 financing has been paid, the Oakland International Airport may  
13 require the collection of a customer facility charge for a period of  
14 up to 10 years from the imposition of the charge for the purposes  
15 allowed by, and subject to the conditions imposed by, this section.

16 (5) “Damage waiver” means a rental company’s agreement not  
17 to hold a renter liable for all or any portion of any damage or loss  
18 related to the rented vehicle, any loss of use of the rented vehicle,  
19 or any storage, impound, towing, or administrative charges.

20 (6) “Electronic surveillance technology” means a technological  
21 method or system used to observe, monitor, or collect information,  
22 including telematics, Global Positioning System (GPS), wireless  
23 technology, or location-based technologies. “Electronic  
24 surveillance technology” does not include event data recorders  
25 (EDR), sensing and diagnostic modules (SDM), or other systems  
26 that are used either:

27 (A) For the purpose of identifying, diagnosing, or monitoring  
28 functions related to the potential need to repair, service, or perform  
29 maintenance on the rental vehicle.

30 (B) As part of the vehicle’s airbag sensing and diagnostic system  
31 in order to capture safety systems-related data for retrieval after a  
32 crash has occurred or in the event that the collision sensors are  
33 activated to prepare the decisionmaking computer to make the  
34 determination to deploy or not to deploy the airbag.

35 (7) “Estimated time for replacement” means the number of hours  
36 of labor, or fraction thereof, needed to replace damaged vehicle  
37 parts as set forth in collision damage estimating guides generally  
38 used in the vehicle repair business and commonly known as “crash  
39 books.”

1 (8) “Estimated time for repair” means a good faith estimate of  
2 the reasonable number of hours of labor, or fraction thereof, needed  
3 to repair damaged vehicle parts.

4 (9) “Membership program” means a service offered by a rental  
5 company that permits customers to bypass the rental counter and  
6 go directly to the car previously reserved. A membership program  
7 shall meet all of the following requirements:

8 (A) The renter initiates enrollment by completing an application  
9 on which the renter can specify a preference for type of vehicle  
10 and acceptance or declination of optional services.

11 (B) The rental company fully discloses, prior to the enrollee’s  
12 first rental as a participant in the program, all terms and conditions  
13 of the rental agreement as well as all required disclosures.

14 (C) The renter may terminate enrollment at any time.

15 (D) The rental company fully explains to the renter that  
16 designated preferences, as well as acceptance or declination of  
17 optional services, may be changed by the renter at any time for  
18 the next and future rentals.

19 (E) An employee designated to receive the form specified in  
20 subparagraph (C) of paragraph (1) of subdivision (t) is present at  
21 the lot where the renter takes possession of the car, to receive any  
22 change in the rental agreement from the renter.

23 (10) “Passenger vehicle” means a passenger vehicle as defined  
24 in Section 465 of the Vehicle Code.

25 (b) Except as limited by subdivision (c), a rental company and  
26 a renter may agree that the renter will be responsible for no more  
27 than all of the following:

28 (1) Physical or mechanical damage to the rented vehicle up to  
29 its fair market value, as determined in the customary market for  
30 the sale of that vehicle, resulting from collision regardless of the  
31 cause of the damage.

32 (2) Loss due to theft of the rented vehicle up to its fair market  
33 value, as determined in the customary market for the sale of that  
34 vehicle, provided that the rental company establishes by clear and  
35 convincing evidence that the renter or the authorized driver failed  
36 to exercise ordinary care while in possession of the vehicle. In  
37 addition, the renter shall be presumed to have no liability for any  
38 loss due to theft if (A) an authorized driver has possession of the  
39 ignition key furnished by the rental company or an authorized  
40 driver establishes that the ignition key furnished by the rental

1 company was not in the vehicle at the time of the theft, and (B) an  
2 authorized driver files an official report of the theft with the police  
3 or other law enforcement agency within 24 hours of learning of  
4 the theft and reasonably cooperates with the rental company and  
5 the police or other law enforcement agency in providing  
6 information concerning the theft. The presumption set forth in this  
7 paragraph is a presumption affecting the burden of proof which  
8 the rental company may rebut by establishing that an authorized  
9 driver committed, or aided and abetted the commission of, the  
10 theft.

11 (3) Physical damage to the rented vehicle up to its fair market  
12 value, as determined in the customary market for the sale of that  
13 vehicle, resulting from vandalism occurring after, or in connection  
14 with, the theft of the rented vehicle. However, the renter shall have  
15 no liability for any damage due to vandalism if the renter would  
16 have no liability for theft pursuant to paragraph (2).

17 (4) Physical damage to the rented vehicle up to a total of five  
18 hundred dollars (\$500) resulting from vandalism unrelated to the  
19 theft of the rented vehicle.

20 (5) Actual charges for towing, storage, and impound fees paid  
21 by the rental company if the renter is liable for damage or loss.

22 (6) An administrative charge, which shall include the cost of  
23 appraisal and all other costs and expenses incident to the damage,  
24 loss, repair, or replacement of the rented vehicle.

25 (c) The total amount of the renter's liability to the rental  
26 company resulting from damage to the rented vehicle shall not  
27 exceed the sum of the following:

28 (1) The estimated cost of parts which the rental company would  
29 have to pay to replace damaged vehicle parts. All discounts and  
30 price reductions or adjustments that are or will be received by the  
31 rental company shall be subtracted from the estimate to the extent  
32 not already incorporated in the estimate, or otherwise promptly  
33 credited or refunded to the renter.

34 (2) The estimated cost of labor to replace damaged vehicle parts,  
35 which shall not exceed the product of (A) the rate for labor usually  
36 paid by the rental company to replace vehicle parts of the type that  
37 were damaged and (B) the estimated time for replacement. All  
38 discounts and price reductions or adjustments that are or will be  
39 received by the rental company shall be subtracted from the

1 estimate to the extent not already incorporated in the estimate, or  
2 otherwise promptly credited or refunded to the renter.

3 (3) (A) The estimated cost of labor to repair damaged vehicle  
4 parts, which shall not exceed the lesser of the following:

5 (i) The product of the rate for labor usually paid by the rental  
6 company to repair vehicle parts of the type that were damaged and  
7 the estimated time for repair.

8 (ii) The sum of the estimated labor and parts costs determined  
9 under paragraphs (1) and (2) to replace the same vehicle parts.

10 (B) All discounts and price reductions or adjustments that are  
11 or will be received by the rental company shall be subtracted from  
12 the estimate to the extent not already incorporated in the estimate,  
13 or otherwise promptly credited or refunded to the renter.

14 (4) For the purpose of converting the estimated time for repair  
15 into the same units of time in which the rental rate is expressed, a  
16 day shall be deemed to consist of eight hours.

17 (5) Actual charges for towing, storage, and impound fees paid  
18 by the rental company.

19 (6) The administrative charge described in paragraph (6) of  
20 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total  
21 estimated cost for parts and labor is more than one hundred dollars  
22 (\$100) up to and including five hundred dollars (\$500), (B) one  
23 hundred dollars (\$100) if the total estimated cost for parts and  
24 labor exceeds five hundred dollars (\$500) up to and including one  
25 thousand five hundred dollars (\$1,500), and (C) one hundred fifty  
26 dollars (\$150) if the total estimated cost for parts and labor exceeds  
27 one thousand five hundred dollars (\$1,500). An administrative  
28 charge shall not be imposed if the total estimated cost of parts and  
29 labor is one hundred dollars (\$100) or less.

30 (d) (1) The total amount of an authorized driver's liability to  
31 the rental company, if any, for damage occurring during the  
32 authorized driver's operation of the rented vehicle shall not exceed  
33 the amount of the renter's liability under subdivision (c).

34 (2) A rental company shall not recover from the renter or other  
35 authorized driver an amount exceeding the renter's liability under  
36 subdivision (c).

37 (3) A claim against a renter resulting from damage or loss,  
38 excluding loss of use, to a rental vehicle shall be reasonably and  
39 rationally related to the actual loss incurred. A rental company  
40 shall mitigate damages where possible and shall not assert or collect

1 a claim for physical damage which exceeds the actual costs of the  
2 repairs performed or the estimated cost of repairs, if the rental  
3 company chooses not to repair the vehicle, including all discounts  
4 and price reductions. However, if the vehicle is a total loss vehicle,  
5 the claim shall not exceed the total loss vehicle value established  
6 in accordance with procedures that are customarily used by  
7 insurance companies when paying claims on total loss vehicles,  
8 less the proceeds from salvaging the vehicle, if those proceeds are  
9 retained by the rental company.

10 (4) If insurance coverage exists under the renter's applicable  
11 personal or business insurance policy and the coverage is confirmed  
12 during regular business hours, the renter may require that the rental  
13 company submit any claims to the renter's applicable personal or  
14 business insurance carrier. The rental company shall not make any  
15 written or oral representations that it will not present claims or  
16 negotiate with the renter's insurance carrier. For purposes of this  
17 paragraph, confirmation of coverage includes telephone  
18 confirmation from insurance company representatives during  
19 regular business hours. Upon request of the renter and after  
20 confirmation of coverage, the amount of claim shall be resolved  
21 between the insurance carrier and the rental company. The renter  
22 shall remain responsible for payment to the rental car company  
23 for any loss sustained that the renter's applicable personal or  
24 business insurance policy does not cover.

25 (5) A rental company shall not recover from the renter or other  
26 authorized driver for an item described in subdivision (b) to the  
27 extent the rental company obtains recovery from another person.

28 (6) This section applies only to the maximum liability of a renter  
29 or other authorized driver to the rental company resulting from  
30 damage to the rented vehicle and not to the liability of another  
31 person.

32 (e) (1) Except as provided in subdivision (f), a damage waiver  
33 shall provide or, if not expressly stated in writing, shall be deemed  
34 to provide that the renter has no liability for a damage, loss, loss  
35 of use, or a cost or expense incident thereto.

36 (2) Except as provided in subdivision (f), every limitation,  
37 exception, or exclusion to a damage waiver is void and  
38 unenforceable.

(f) A rental company may provide in the rental contract that a damage waiver does not apply under any of the following circumstances:

(1) Damage or loss results from an authorized driver's (A) intentional, willful, wanton, or reckless conduct, (B) operation of the vehicle under the influence of drugs or alcohol in violation of Section 23152 of the Vehicle Code, (C) towing or pushing anything, or (D) operation of the vehicle on an unpaved road if the damage or loss is a direct result of the road or driving conditions.

(2) Damage or loss occurs while the vehicle is (A) used for commercial hire, (B) used in connection with conduct that could be properly charged as a felony, (C) involved in a speed test or contest or in driver training activity, (D) operated by a person other than an authorized driver, or (E) operated outside the United States.

(3) An authorized driver who has (A) provided fraudulent information to the rental company, or (B) provided false information and the rental company would not have rented the vehicle if it had instead received true information.

(g) (1) A rental company that offers or provides a damage waiver for any consideration in addition to the rental rate shall clearly and conspicuously disclose the following information in the rental contract or holder in which the contract is placed and, also, in signs posted at the place, such as the counter, where the renter signs the rental contract, and, for renters who are enrolled in the rental company's membership program, in a sign that shall be posted in a location clearly visible to those renters as they enter the location where their reserved rental cars are parked or near the exit of the bus or other conveyance that transports the enrollee to a reserved car: (A) the nature of the renter's liability, such as liability for all collision damage regardless of cause, (B) the extent of the renter's liability, such as liability for damage or loss up to a specified amount, (C) the renter's personal insurance policy or the credit card used to pay for the car rental transaction may provide coverage for all or a portion of the renter's potential liability, (D) the renter should consult with his or her insurer to determine the scope of insurance coverage, including the amount of the deductible, if any, for which the renter is obligated, (E) the renter may purchase an optional damage waiver to cover all liability, subject to whatever exceptions the rental company



1 expressly lists that are permitted under subdivision (f), and (F) the  
2 range of charges for the damage waiver.

3 (2) In addition to the requirements of paragraph (1), a rental  
4 company that offers or provides a damage waiver shall orally  
5 disclose to all renters, except those who are participants in the  
6 rental company's membership program, that the damage waiver  
7 may be duplicative of coverage that the customer maintains under  
8 his or her own policy of motor vehicle insurance. The renter's  
9 receipt of the oral disclosure shall be demonstrated through the  
10 renter's acknowledging receipt of the oral disclosure near that part  
11 of the contract where the renter indicates, by the renter's own  
12 initials, his or her acceptance or declination of the damage waiver.  
13 Adjacent to that same part, the contract also shall state that the  
14 damage waiver is optional. Further, the contract for these renters  
15 shall include a clear and conspicuous written disclosure that the  
16 damage waiver may be duplicative of coverage that the customer  
17 maintains under his or her own policy of motor vehicle insurance.

18 (3) The following is an example, for purposes of illustration  
19 and not limitation, of a notice fulfilling the requirements of  
20 paragraph (1) for a rental company that imposes liability on the  
21 renter for collision damage to the full value of the vehicle:

22  
23 "NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY  
24 AND OPTIONAL DAMAGE WAIVER  
25

26 You are responsible for all collision damage to the rented vehicle  
27 even if someone else caused it or the cause is unknown. You are  
28 responsible for the cost of repair up to the value of the vehicle,  
29 and towing, storage, and impound fees.

30 Your own insurance, or the issuer of the credit card you use to  
31 pay for the car rental transaction, may cover all or part of your  
32 financial responsibility for the rented vehicle. You should check  
33 with your insurance company, or credit card issuer, to find out  
34 about your coverage and the amount of the deductible, if any, for  
35 which you may be liable.

36 Further, if you use a credit card that provides coverage for your  
37 potential liability, you should check with the issuer to determine  
38 if you must first exhaust the coverage limits of your own insurance  
39 before the credit card coverage applies.

1 The rental company will not hold you responsible if you buy a  
2 damage waiver. But a damage waiver will not protect you if (list  
3 exceptions).”

4  
5 (A) When the above notice is printed in the rental contract or  
6 holder in which the contract is placed, the following shall be printed  
7 immediately following the notice:

8  
9 “The cost of an optional damage waiver is \$\_\_\_\_ for every (day  
10 or week).”

11  
12 (B) When the above notice appears on a sign, the following  
13 shall appear immediately adjacent to the notice:

14  
15 “The cost of an optional damage waiver is \$\_\_\_\_ to \$\_\_\_\_ for  
16 every (day or week), depending upon the vehicle rented.”

17  
18 (h) Notwithstanding any other provision of law, a rental  
19 company may sell a damage waiver subject to the following rate  
20 limitations for each full or partial 24-hour rental day for the damage  
21 waiver.

22 (1) For rental vehicles that the rental company designates as an  
23 “economy car,” “subcompact car,” “compact car,” or another term  
24 having similar meaning when offered for rental, or another vehicle  
25 having a manufacturer’s suggested retail price of nineteen thousand  
26 dollars (\$19,000) or less, the rate shall not exceed nine dollars  
27 (\$9).

28 (2) For rental vehicles that have a manufacturer’s suggested  
29 retail price from nineteen thousand one dollars (\$19,001) to  
30 thirty-four thousand nine hundred ninety-nine dollars (\$34,999),  
31 inclusive, and that are also either vehicles of next year’s model,  
32 or not older than the previous year’s model, the rate shall not  
33 exceed fifteen dollars (\$15). For those rental vehicles older than  
34 the previous year’s model-year, the rate shall not exceed nine  
35 dollars (\$9).

36 (i) The manufacturer’s suggested retail prices described in  
37 subdivision (h) shall be adjusted annually to reflect changes from  
38 the previous year in the Consumer Price Index. For the purposes  
39 of this section, “Consumer Price Index” means the United States  
40 Consumer Price Index for All Urban Consumers, for all items.

1 (j) A rental company that disseminates in this state an  
2 advertisement containing a rental rate shall include in that  
3 advertisement a clearly readable statement of the charge for a  
4 damage waiver and a statement that a damage waiver is optional.

5 (k) (1) A rental company shall not require the purchase of a  
6 damage waiver, optional insurance, or another optional good or  
7 service.

8 (2) A rental company shall not engage in any unfair, deceptive,  
9 or coercive conduct to induce a renter to purchase the damage  
10 waiver, optional insurance, or another optional good or service,  
11 including conduct such as, but not limited to, refusing to honor  
12 the renter's reservation, limiting the availability of vehicles,  
13 requiring a deposit, or debiting or blocking the renter's credit card  
14 account for a sum equivalent to a deposit if the renter declines to  
15 purchase the damage waiver, optional insurance, or another  
16 optional good or service.

17 (l) (1) In the absence of express permission granted by the  
18 renter subsequent to damage to, or loss of, the vehicle, a rental  
19 company shall not seek to recover any portion of a claim arising  
20 out of damage to, or loss of, the rented vehicle by processing a  
21 credit card charge or causing a debit or block to be placed on the  
22 renter's credit card account.

23 (2) A rental company shall not engage in any unfair, deceptive,  
24 or coercive tactics in attempting to recover or in recovering on any  
25 claim arising out of damage to, or loss of, the rented vehicle.

26 (m) (1) A customer facility charge may be collected by a rental  
27 company under the following circumstances:

28 (A) Collection of the fee by the rental company is required by  
29 an airport operated by a city, a county, a city and county, a joint  
30 powers authority, a special district, or the San Diego County  
31 Regional Airport Authority formed pursuant to Division 17  
32 (commencing with Section 170000) of the Public Utilities Code.

33 (B) The fee is calculated on a per contract basis or as provided  
34 in paragraph (2).

35 (C) The fee is a user fee, not a tax imposed upon real property  
36 or an incidence of property ownership under Article XIII D of the  
37 California Constitution.

38 (D) Except as otherwise provided in subparagraph (E), the fee  
39 shall be ten dollars (\$10) per contract or the amount provided in  
40 paragraph (2).

(E) The fee for a consolidated rental car facility shall be collected only from customers of on-airport rental car companies. If the fee imposed by the airport is for both a consolidated rental car facility and a common-use transportation system, the fee collected from customers of on-airport rental car companies shall be ten dollars (\$10) or the amount provided in paragraph (2), but the fee imposed on customers of off-airport rental car companies who are transported on the common-use transportation system is proportionate to the costs of the common-use transportation system only. The fee is uniformly applied to each class of on-airport or off-airport customers, provided that the airport requires off-airport customers to use the common-use transportation system. For purposes of this subparagraph, “on-airport rental car company” means a rental company operating under an airport property lease or an airport concession or license agreement whose customers use or will use the consolidated rental car facility and the collection of the fee as to those customers is consistent with subparagraph (C).

(F) Revenues collected from the fee do not exceed the reasonable costs of financing, designing, and constructing the facility and financing, designing, constructing, and operating any common-use transportation system, or acquiring vehicles for use in that system, and shall not be used for any other purpose.

(G) The fee is separately identified on the rental agreement.

(H) This paragraph does not apply to fees which are governed by Section 50474.1 of the Government Code or Section 57.5 of the San Diego Unified Port District Act.

(I) For any airport seeking to require rental car companies to collect an alternative customer facility charge pursuant to paragraph (2), the following provisions apply:

(i) Notwithstanding Section 10231.5 of the Government Code, the airport shall provide reports on an annual basis to the Senate and Assembly Committees on Judiciary detailing all of the following:

(I) The total amount of the customer facility charge collected.

(II) How the funds are being spent.

(III) The amount of and reason for any changes in the airport’s budget or financial needs for the facility or common-use transportation system.

(IV) Whether airport concession fees authorized by Section 1936.01 have increased since the prior report, if any.

~~(ii) The airport shall complete the independent audit required by subparagraph (B) of paragraph (4) of subdivision (a) prior to initial collection of the customer facility charge, prior to any increase pursuant to paragraph (2), and every three years after initial collection and any increase until such time as the fee authorization becomes inoperative pursuant to subparagraph (C) of paragraph (4) of subdivision (a).~~

~~(iii)~~  
(ii) Use of the bonds shall be limited to construction and design of the consolidated rental car facility, terminal modifications, and operating costs of the common-use transportation system, as specified in paragraph (4) of subdivision (a).

(2) Any airport may require rental car companies to collect an alternative customer facility charge under the following conditions:

(A) The airport first conducts a publicly noticed hearing pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) to review the costs of financing the design and construction of a consolidated rental car facility and the design, construction, and operation of any common-use transportation system in which all of the following occur:

(i) The airport establishes the amount of revenue necessary to finance the reasonable cost to design and construct a consolidated rental car facility and to design, construct, and operate any common-use transportation system, or acquire vehicles for use in that system, based on evidence presented during the hearing.

(ii) The airport finds, based on evidence presented during the hearing, that the fee authorized in paragraph (1) will not generate sufficient revenue to finance the reasonable costs to design and construct a consolidated rental car facility and to design, construct, and operate any common-use transportation system, or acquire vehicles for use in that system.

(iii) The airport finds that the reasonable cost of the project requires the additional amount of revenue that would be generated by the proposed daily rate, including any rate increase, authorized pursuant to this paragraph.

(iv) The airport outlines each of the following:

(I) Steps it has taken to limit costs.

1 (II) Other potential alternatives for meeting its revenue needs  
2 other than the collection of the fee.

3 (III) The extent to which rental car companies or other  
4 businesses or individuals using the facility or common-use  
5 transportation system will pay for the costs associated with these  
6 facilities and systems other than the fee from rental customers.

7 (B) The airport may not require the fee authorized in this  
8 paragraph to be collected at any time that the fee authorized in  
9 paragraph (1) of this subdivision is being collected.

10 (C) Pursuant to the procedure set forth in this subdivision, the  
11 fee may be collected at a rate charged on a per-day basis subject  
12 to the following conditions:

13 (i) Commencing January 1, 2011, the amount of the fee may  
14 not exceed six dollars (\$6) per day.

15 (ii) Commencing January 1, 2014, the amount of the fee may  
16 not exceed seven dollars and fifty cents (\$7.50) per day.

17 (iii) Commencing January 1, 2017, and thereafter, the amount  
18 of the fee may not exceed nine dollars (\$9) per day.

19 (iv) At no time shall the fee authorized in this paragraph be  
20 collected from any customer for more than five days for each  
21 individual rental car contract.

22 (v) An airport subject to this paragraph shall initiate the process  
23 for obtaining the authority to require or increase the alternative  
24 fee no later than January 1, 2018. Any airport that obtains the  
25 authority to require or increase an alternative fee shall be authorized  
26 to continue collecting that fee until the fee authorization becomes  
27 inoperative pursuant to subparagraph (C) of paragraph (4) of  
28 subdivision (a).

29 (3) Notwithstanding any other provision of law, including, but  
30 not limited to, Part 1 (commencing with Section 6001) to Part 1.7  
31 (commencing with Section 7280), inclusive, of Division 2 of the  
32 Revenue and Taxation Code, the fees collected pursuant to this  
33 section, or another law whereby a local agency operating an airport  
34 requires a rental car company to collect a facility financing fee  
35 from its customers, are not subject to sales, use, or transaction  
36 taxes.

37 (n) (1) A rental company shall only advertise, quote, and charge  
38 a rental rate that includes the entire amount except taxes, a  
39 customer facility charge, if any, and a mileage charge, if any, that  
40 a renter must pay to hire or lease the vehicle for the period of time

1 to which the rental rate applies. A rental company shall not charge  
2 in addition to the rental rate, taxes, a customer facility charge, if  
3 any, and a mileage charge, if any, any fee that is required to be  
4 paid by the renter as a condition of hiring or leasing the vehicle,  
5 including, but not limited to, required fuel or airport surcharges  
6 other than customer facility charges, nor a fee for transporting the  
7 renter to the location where the rented vehicle will be delivered to  
8 the renter.

9 (2) In addition to the rental rate, taxes, customer facility charges,  
10 if any, and mileage charges, if any, a rental company may charge  
11 for an item or service provided in connection with a particular  
12 rental transaction if the renter could have avoided incurring the  
13 charge by choosing not to obtain or utilize the optional item or  
14 service. Items and services for which the rental company may  
15 impose an additional charge include, but are not limited to, optional  
16 insurance and accessories requested by the renter, service charges  
17 incident to the renter's optional return of the vehicle to a location  
18 other than the location where the vehicle was hired or leased, and  
19 charges for refueling the vehicle at the conclusion of the rental  
20 transaction in the event the renter did not return the vehicle with  
21 as much fuel as was in the fuel tank at the beginning of the rental.  
22 A rental company also may impose an additional charge based on  
23 reasonable age criteria established by the rental company.

24 (3) A rental company shall not charge a fee for authorized  
25 drivers in addition to the rental charge for an individual renter.

26 (4) If a rental company states a rental rate in print advertisement  
27 or in a telephonic, in-person, or computer-transmitted quotation,  
28 the rental company shall disclose clearly in that advertisement or  
29 quotation the terms of mileage conditions relating to the advertised  
30 or quoted rental rate, including, but not limited to, to the extent  
31 applicable, the amount of mileage and gas charges, the number of  
32 miles for which no charges will be imposed, and a description of  
33 geographic driving limitations within the United States and Canada.

34 (5) (A) When a rental rate is stated in an advertisement,  
35 quotation, or reservation in connection with a car rental at an airport  
36 where a customer facility charge is imposed, the rental company  
37 shall disclose clearly the existence and amount of the customer  
38 facility charge. For purposes of this subparagraph, advertisements  
39 include radio, television, other electronic media, and print  
40 advertisements. For purposes of this subparagraph, quotations and

1 reservations include those that are telephonic, in-person, and  
2 computer-transmitted. If the rate advertisement is intended to  
3 include transactions at more than one airport imposing a customer  
4 facility charge, a range of fees may be stated in the advertisement.  
5 However, all rate advertisements that include car rentals at airport  
6 destinations shall clearly and conspicuously include a toll-free  
7 telephone number whereby a customer can be told the specific  
8 amount of the customer facility charge to which the customer will  
9 be obligated.

10 (B) If a person or entity other than a rental car company,  
11 including a passenger carrier or a seller of travel services, advertises  
12 or quotes a rate for a car rental at an airport where a customer  
13 facility charge is imposed, that person or entity shall, provided  
14 that he, she, or it is provided with information about the existence  
15 and amount of the fee, to the extent not specifically prohibited by  
16 federal law, clearly disclose the existence and amount of the fee  
17 in any telephonic, in-person, or computer-transmitted quotation at  
18 the time of making an initial quotation of a rental rate and at the  
19 time of making a reservation of a rental car. If a rental car company  
20 provides the person or entity with rate and customer facility charge  
21 information, the rental car company is not responsible for the  
22 failure of that person or entity to comply with this subparagraph  
23 when quoting or confirming a rate to a third person or entity.

24 (6) If a rental company delivers a vehicle to a renter at a location  
25 other than the location where the rental company normally carries  
26 on its business, the rental company shall not charge the renter an  
27 amount for the rental for the period before the delivery of the  
28 vehicle. If a rental company picks up a rented vehicle from a renter  
29 at a location other than the location where the rental company  
30 normally carries on its business, the rental company shall not  
31 charge the renter an amount for the rental for the period after the  
32 renter notifies the rental company to pick up the vehicle.

33 (o) A rental company shall not use, access, or obtain any  
34 information relating to the renter's use of the rental vehicle that  
35 was obtained using electronic surveillance technology, except in  
36 the following circumstances:

37 (1) (A) When the equipment is used by the rental company  
38 only for the purpose of locating a stolen, abandoned, or missing  
39 rental vehicle after one of the following:



1 (i) The renter or law enforcement has informed the rental  
2 company that the vehicle is missing or has been stolen or  
3 abandoned.

4 (ii) The rental vehicle has not been returned following one week  
5 after the contracted return date, or by one week following the end  
6 of an extension of that return date.

7 (iii) The rental company discovers the rental vehicle has been  
8 stolen or abandoned, and, if stolen, it shall report the vehicle stolen  
9 to law enforcement by filing a stolen vehicle report, unless law  
10 enforcement has already informed the rental company that the  
11 vehicle is missing or has been stolen or abandoned.

12 (B) If electronic surveillance technology is activated pursuant  
13 to subparagraph (A), a rental company shall maintain a record, in  
14 either electronic or written form, of information relevant to the  
15 activation of that technology. That information shall include the  
16 rental agreement, including the return date, and the date and time  
17 the electronic surveillance technology was activated. The record  
18 shall also include, if relevant, a record of written or other  
19 communication with the renter, including communications  
20 regarding extensions of the rental, police reports, or other written  
21 communication with law enforcement officials. The record shall  
22 be maintained for a period of at least 12 months from the time the  
23 record is created and shall be made available upon the renter's  
24 request. The rental company shall maintain and furnish explanatory  
25 codes necessary to read the record. A rental company shall not be  
26 required to maintain a record if electronic surveillance technology  
27 is activated to recover a rental vehicle that is stolen or missing at  
28 a time other than during a rental period.

29 (2) In response to a specific request from law enforcement  
30 pursuant to a subpoena or search warrant.

31 (3) This subdivision does not prohibit a rental company from  
32 equipping rental vehicles with GPS-based technology that provides  
33 navigation assistance to the occupants of the rental vehicle, if the  
34 rental company does not use, access, or obtain information relating  
35 to the renter's use of the rental vehicle that was obtained using  
36 that technology, except for the purposes of discovering or repairing  
37 a defect in the technology and the information may then be used  
38 only for that purpose.

39 (4) This subdivision does not prohibit a rental company from  
40 equipping rental vehicles with electronic surveillance technology

1 that allows for the remote locking or unlocking of the vehicle at  
2 the request of the renter, if the rental company does not use, access,  
3 or obtain information relating to the renter's use of the rental  
4 vehicle that was obtained using that technology, except as  
5 necessary to lock or unlock the vehicle.

6 (5) This subdivision does not prohibit a rental company from  
7 equipping rental vehicles with electronic surveillance technology  
8 that allows the company to provide roadside assistance, such as  
9 towing, flat tire, or fuel services, at the request of the renter, if the  
10 rental company does not use, access, or obtain information relating  
11 to the renter's use of the rental vehicle that was obtained using  
12 that technology except as necessary to provide the requested  
13 roadside assistance.

14 (6) This subdivision does not prohibit a rental company from  
15 obtaining, accessing, or using information from electronic  
16 surveillance technology for the sole purpose of determining the  
17 date and time the vehicle is returned to the rental company, and  
18 the total mileage driven and the vehicle fuel level of the returned  
19 vehicle. This paragraph, however, shall apply only after the renter  
20 has returned the vehicle to the rental company, and the information  
21 shall only be used for the purpose described in this paragraph.

22 (p) A rental company shall not use electronic surveillance  
23 technology to track a renter in order to impose fines or surcharges  
24 relating to the renter's use of the rental vehicle.

25 (q) A renter may bring an action against a rental company for  
26 the recovery of damages and appropriate equitable relief for a  
27 violation of this section. The prevailing party shall be entitled to  
28 recover reasonable attorney's fees and costs.

29 (r) A rental company that brings an action against a renter for  
30 loss due to theft of the vehicle shall bring the action in the county  
31 in which the renter resides or, if the renter is not a resident of this  
32 state, in the jurisdiction in which the renter resides.

33 (s) A waiver of any of the provisions of this section shall be  
34 void and unenforceable as contrary to public policy.

35 (t) (1) A rental company's disclosure requirements shall be  
36 satisfied for renters who are enrolled in the rental company's  
37 membership program if all of the following conditions are met:

38 (A) Prior to the enrollee's first rental as a participant in the  
39 program, the renter receives, in writing, the following:

1 (i) All of the disclosures required by paragraph (1) of subdivision  
2 (g), including the terms and conditions of the rental agreement  
3 then in effect.

4 (ii) An Internet Web site address, as well as a contact number  
5 or address, where the enrollee can learn of changes to the rental  
6 agreement or to the laws of this state governing rental agreements  
7 since the effective date of the rental company's most recent  
8 restatement of the rental agreement and distribution of that  
9 restatement to its members.

10 (B) At the commencement of each rental period, the renter is  
11 provided, on the rental record or the folder in which it is inserted,  
12 with a printed notice stating that he or she had either previously  
13 selected or declined an optional damage waiver and that the renter  
14 has the right to change preferences.

15 (C) At the commencement of each rental period, the rental  
16 company provides, on the rearview mirror, a hanger on which a  
17 statement is printed, in a box, in at least 12-point boldface type,  
18 notifying the renter that the collision damage waiver offered by  
19 the rental company may be duplicative of coverage that the  
20 customer maintains under his or her own policy of motor vehicle  
21 insurance. If it is not feasible to hang the statement from the  
22 rearview mirror, it shall be hung from the steering wheel.

23 The hanger shall provide the renter a box to initial if he or she  
24 (not his or her employer) has previously accepted or declined the  
25 collision damage waiver and that he or she now wishes to change  
26 his or her decision to accept or decline the collision damage waiver,  
27 as follows:

28  
29 “☐ If I previously accepted the collision damage waiver, I  
30 now decline it.

31  
32 ☐ If I previously declined the collision damage waiver, I now  
33 accept it.”

34  
35 The hanger shall also provide a box for the enrollee to indicate  
36 whether this change applies to this rental transaction only or to all  
37 future rental transactions. The hanger shall also notify the renter  
38 that he or she may make that change, prior to leaving the lot, by  
39 returning the form to an employee designated to receive the form

1 who is present at the lot where the renter takes possession of the  
2 car, to receive any change in the rental agreement from the renter.

3 (2) (A) This subdivision is not effective unless the employee  
4 designated pursuant to subparagraph (E) of paragraph (8) of  
5 subdivision (a) is actually present at the required location.

6 (B) This subdivision does not relieve the rental company from  
7 the disclosures required to be made within the text of a contract  
8 or holder in which the contract is placed; in or on an advertisement  
9 containing a rental rate; or in a telephonic, in-person, or  
10 computer-transmitted quotation or reservation.

11 (u) The amendments made to this section during the 2001–02  
12 Regular Session of the Legislature do not affect litigation pending  
13 on or before January 1, 2003, alleging a violation of Section 22325  
14 of the Business and Professions Code as it read at the time the  
15 action was commenced.

16 (v) (1) When a rental company enters into a rental agreement  
17 in the state for the rental of a vehicle to any renter who is not a  
18 resident of this country and, as part of, or associated with, the rental  
19 agreement, the renter purchases liability insurance, as defined in  
20 subdivision (b) of Section 1758.85 of the Insurance Code, from  
21 the rental company in its capacity as a rental car agent for an  
22 authorized insurer, the rental company shall be authorized to accept,  
23 and, if served as set forth in this subdivision, shall accept, service  
24 of a summons and complaint and any other required documents  
25 against the foreign renter for any accident or collision resulting  
26 from the operation of the rental vehicle within the state during the  
27 rental period. If the rental company has a registered agent for  
28 service of process on file with the Secretary of State, process shall  
29 be served on the rental company's registered agent, either by  
30 first-class mail, return receipt requested, or by personal service.

31 (2) Within 30 days of acceptance of service of process, the rental  
32 company shall, provide a copy of the summons and complaint and  
33 any other required documents served in accordance with this  
34 subdivision to the foreign renter by first-class mail, return receipt  
35 requested.

36 (3) Any plaintiff, or his or her representative, who elects to serve  
37 the foreign renter by delivering a copy of the summons and  
38 complaint and any other required documents to the rental company  
39 pursuant to paragraph (1) shall agree to limit his or her recovery

1 against the foreign renter and the rental company to the limits of  
2 the protection extended by the liability insurance.

3 (4) Notwithstanding the requirements of Sections 17450 to  
4 17456, inclusive, of the Vehicle Code, service of process in  
5 compliance with paragraph (1) shall be deemed valid and effective  
6 service.

7 (5) Notwithstanding any other provision of law, the requirement  
8 that the rental company accept service of process pursuant to  
9 paragraph (1) shall not create any duty, obligation, or agency  
10 relationship other than that provided in paragraph (1).

11 (w) This section shall remain in effect only until January 1,  
12 2015, and as of that date is repealed, unless a later enacted statute,  
13 that is enacted before January 1, 2015, deletes or extends that date.

14 SEC. 2. Section 1936 of the Civil Code, as amended by Section  
15 3 of Chapter 32 of the Statutes of 2012, is amended to read:

16 1936. (a) For the purpose of this section, the following  
17 definitions shall apply:

18 (1) "Rental company" means a person or entity in the business  
19 of renting passenger vehicles to the public.

20 (2) "Renter" means any person in a manner obligated under a  
21 contract for the lease or hire of a passenger vehicle from a rental  
22 company for a period of less than 30 days.

23 (3) "Authorized driver" means (A) the renter, (B) the renter's  
24 spouse if that person is a licensed driver and satisfies the rental  
25 company's minimum age requirement, (C) the renter's employer  
26 or coworker if he or she is engaged in business activity with the  
27 renter, is a licensed driver, and satisfies the rental company's  
28 minimum age requirement, and (D) a person expressly listed by  
29 the rental company on the renter's contract as an authorized driver.

30 (4) (A) "Customer facility charge" means any fee, including  
31 an alternative fee, required by an airport to be collected by a rental  
32 company from a renter for any of the following purposes:

33 (i) To finance, design, and construct consolidated airport car  
34 rental facilities.

35 (ii) To finance, design, construct, and operate common-use  
36 transportation systems that move passengers between airport  
37 terminals and those consolidated car rental facilities, and acquire  
38 vehicles for use in that system.

1 (iii) To finance, design, and construct terminal modifications  
2 solely to accommodate and provide customer access to  
3 common-use transportation systems.

4 (B) The aggregate amount to be collected shall not exceed the  
5 reasonable costs, ~~as determined by an independent audit paid for~~  
6 ~~by the airport,~~ costs to finance, design, and construct those  
7 facilities. Copies of the ~~audit~~ *customer facility charge information*  
8 shall be provided to the Assembly and Senate Committees on  
9 Judiciary, the Assembly Committee on Transportation, and the  
10 Senate Committee on Transportation and Housing. ~~In the case of~~  
11 ~~a transportation system, the audit also shall consider the reasonable~~  
12 ~~costs of providing the transit system or busing network.~~  
13 Notwithstanding clause (iii) of subparagraph (A), the fees  
14 designated as a customer facility charge shall not be used to pay  
15 for terminal expansion, gate expansion, runway expansion, changes  
16 in hours of operation, or changes in the number of flights arriving  
17 or departing from the airport.

18 (C) Except as provided in subparagraph (D), the authorization  
19 given pursuant to this section for an airport to impose a customer  
20 facility charge shall become inoperative when the bonds used for  
21 financing are paid.

22 (D) If a bond or other form of indebtedness is not used for  
23 financing, or the bond or other form of indebtedness used for  
24 financing has been paid, the Oakland International Airport may  
25 require the collection of a customer facility charge for a period of  
26 up to 10 years from the imposition of the charge for the purposes  
27 allowed by, and subject to the conditions imposed by, this section.

28 (5) “Damage waiver” means a rental company’s agreement not  
29 to hold a renter liable for all or any portion of any damage or loss  
30 related to the rented vehicle, any loss of use of the rented vehicle,  
31 or any storage, impound, towing, or administrative charges.

32 (6) “Electronic surveillance technology” means a technological  
33 method or system used to observe, monitor, or collect information,  
34 including telematics, Global Positioning System (GPS), wireless  
35 technology, or location-based technologies. “Electronic  
36 surveillance technology” does not include event data recorders  
37 (EDR), sensing and diagnostic modules (SDM), or other systems  
38 that are used either:

1 (A) For the purpose of identifying, diagnosing, or monitoring  
2 functions related to the potential need to repair, service, or perform  
3 maintenance on the rental vehicle.

4 (B) As part of the vehicle's airbag sensing and diagnostic system  
5 in order to capture safety systems-related data for retrieval after a  
6 crash has occurred or in the event that the collision sensors are  
7 activated to prepare the decisionmaking computer to make the  
8 determination to deploy or not to deploy the airbag.

9 (7) "Estimated time for replacement" means the number of hours  
10 of labor, or fraction thereof, needed to replace damaged vehicle  
11 parts as set forth in collision damage estimating guides generally  
12 used in the vehicle repair business and commonly known as "crash  
13 books."

14 (8) "Estimated time for repair" means a good faith estimate of  
15 the reasonable number of hours of labor, or fraction thereof, needed  
16 to repair damaged vehicle parts.

17 (9) "Membership program" means a service offered by a rental  
18 company that permits customers to bypass the rental counter and  
19 go directly to the car previously reserved. A membership program  
20 shall meet all of the following requirements:

21 (A) The renter initiates enrollment by completing an application  
22 on which the renter can specify a preference for type of vehicle  
23 and acceptance or declination of optional services.

24 (B) The rental company fully discloses, prior to the enrollee's  
25 first rental as a participant in the program, all terms and conditions  
26 of the rental agreement as well as all required disclosures.

27 (C) The renter may terminate enrollment at any time.

28 (D) The rental company fully explains to the renter that  
29 designated preferences, as well as acceptance or declination of  
30 optional services, may be changed by the renter at any time for  
31 the next and future rentals.

32 (E) An employee designated to receive the form specified in  
33 subparagraph (C) of paragraph (1) of subdivision (t) is present at  
34 the lot where the renter takes possession of the car, to receive any  
35 change in the rental agreement from the renter.

36 (10) "Passenger vehicle" means a passenger vehicle as defined  
37 in Section 465 of the Vehicle Code.

38 (b) Except as limited by subdivision (c), a rental company and  
39 a renter may agree that the renter will be responsible for no more  
40 than all of the following:

1 (1) Physical or mechanical damage to the rented vehicle up to  
2 its fair market value, as determined in the customary market for  
3 the sale of that vehicle, resulting from collision regardless of the  
4 cause of the damage.

5 (2) Loss due to theft of the rented vehicle up to its fair market  
6 value, as determined in the customary market for the sale of that  
7 vehicle, provided that the rental company establishes by clear and  
8 convincing evidence that the renter or the authorized driver failed  
9 to exercise ordinary care while in possession of the vehicle. In  
10 addition, the renter shall be presumed to have no liability for any  
11 loss due to theft if (A) an authorized driver has possession of the  
12 ignition key furnished by the rental company or an authorized  
13 driver establishes that the ignition key furnished by the rental  
14 company was not in the vehicle at the time of the theft, and (B) an  
15 authorized driver files an official report of the theft with the police  
16 or other law enforcement agency within 24 hours of learning of  
17 the theft and reasonably cooperates with the rental company and  
18 the police or other law enforcement agency in providing  
19 information concerning the theft. The presumption set forth in this  
20 paragraph is a presumption affecting the burden of proof which  
21 the rental company may rebut by establishing that an authorized  
22 driver committed, or aided and abetted the commission of, the  
23 theft.

24 (3) Physical damage to the rented vehicle up to its fair market  
25 value, as determined in the customary market for the sale of that  
26 vehicle, resulting from vandalism occurring after, or in connection  
27 with, the theft of the rented vehicle. However, the renter shall have  
28 no liability for any damage due to vandalism if the renter would  
29 have no liability for theft pursuant to paragraph (2).

30 (4) Physical damage to the rented vehicle up to a total of five  
31 hundred dollars (\$500) resulting from vandalism unrelated to the  
32 theft of the rented vehicle.

33 (5) Actual charges for towing, storage, and impound fees paid  
34 by the rental company if the renter is liable for damage or loss.

35 (6) An administrative charge, which shall include the cost of  
36 appraisal and all other costs and expenses incident to the damage,  
37 loss, repair, or replacement of the rented vehicle.

38 (c) The total amount of the renter's liability to the rental  
39 company resulting from damage to the rented vehicle shall not  
40 exceed the sum of the following:



1 (1) The estimated cost of parts which the rental company would  
2 have to pay to replace damaged vehicle parts. All discounts and  
3 price reductions or adjustments that are or will be received by the  
4 rental company shall be subtracted from the estimate to the extent  
5 not already incorporated in the estimate, or otherwise promptly  
6 credited or refunded to the renter.

7 (2) The estimated cost of labor to replace damaged vehicle parts,  
8 which shall not exceed the product of (A) the rate for labor usually  
9 paid by the rental company to replace vehicle parts of the type that  
10 were damaged and (B) the estimated time for replacement. All  
11 discounts and price reductions or adjustments that are or will be  
12 received by the rental company shall be subtracted from the  
13 estimate to the extent not already incorporated in the estimate, or  
14 otherwise promptly credited or refunded to the renter.

15 (3) (A) The estimated cost of labor to repair damaged vehicle  
16 parts, which shall not exceed the lesser of the following:

17 (i) The product of the rate for labor usually paid by the rental  
18 company to repair vehicle parts of the type that were damaged and  
19 the estimated time for repair.

20 (ii) The sum of the estimated labor and parts costs determined  
21 under paragraphs (1) and (2) to replace the same vehicle parts.

22 (B) All discounts and price reductions or adjustments that are  
23 or will be received by the rental company shall be subtracted from  
24 the estimate to the extent not already incorporated in the estimate,  
25 or otherwise promptly credited or refunded to the renter.

26 (4) For the purpose of converting the estimated time for repair  
27 into the same units of time in which the rental rate is expressed, a  
28 day shall be deemed to consist of eight hours.

29 (5) Actual charges for towing, storage, and impound fees paid  
30 by the rental company.

31 (6) The administrative charge described in paragraph (6) of  
32 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total  
33 estimated cost for parts and labor is more than one hundred dollars  
34 (\$100) up to and including five hundred dollars (\$500), (B) one  
35 hundred dollars (\$100) if the total estimated cost for parts and  
36 labor exceeds five hundred dollars (\$500) up to and including one  
37 thousand five hundred dollars (\$1,500), and (C) one hundred fifty  
38 dollars (\$150) if the total estimated cost for parts and labor exceeds  
39 one thousand five hundred dollars (\$1,500). An administrative

1 charge shall not be imposed if the total estimated cost of parts and  
2 labor is one hundred dollars (\$100) or less.

3 (d) (1) The total amount of an authorized driver's liability to  
4 the rental company, if any, for damage occurring during the  
5 authorized driver's operation of the rented vehicle shall not exceed  
6 the amount of the renter's liability under subdivision (c).

7 (2) A rental company shall not recover from the renter or other  
8 authorized driver an amount exceeding the renter's liability under  
9 subdivision (c).

10 (3) A claim against a renter resulting from damage or loss,  
11 excluding loss of use, to a rental vehicle shall be reasonably and  
12 rationally related to the actual loss incurred. A rental company  
13 shall mitigate damages where possible and shall not assert or collect  
14 a claim for physical damage which exceeds the actual costs of the  
15 repairs performed or the estimated cost of repairs, if the rental  
16 company chooses not to repair the vehicle, including all discounts  
17 and price reductions. However, if the vehicle is a total loss vehicle,  
18 the claim shall not exceed the total loss vehicle value established  
19 in accordance with procedures that are customarily used by  
20 insurance companies when paying claims on total loss vehicles,  
21 less the proceeds from salvaging the vehicle, if those proceeds are  
22 retained by the rental company.

23 (4) If insurance coverage exists under the renter's applicable  
24 personal or business insurance policy and the coverage is confirmed  
25 during regular business hours, the renter may require that the rental  
26 company submit any claims to the renter's applicable personal or  
27 business insurance carrier. The rental company shall not make any  
28 written or oral representations that it will not present claims or  
29 negotiate with the renter's insurance carrier. For purposes of this  
30 paragraph, confirmation of coverage includes telephone  
31 confirmation from insurance company representatives during  
32 regular business hours. Upon request of the renter and after  
33 confirmation of coverage, the amount of claim shall be resolved  
34 between the insurance carrier and the rental company. The renter  
35 shall remain responsible for payment to the rental car company  
36 for any loss sustained that the renter's applicable personal or  
37 business insurance policy does not cover.

38 (5) A rental company shall not recover from the renter or other  
39 authorized driver for an item described in subdivision (b) to the  
40 extent the rental company obtains recovery from another person.

1 (6) This section applies only to the maximum liability of a renter  
2 or other authorized driver to the rental company resulting from  
3 damage to the rented vehicle and not to the liability of another  
4 person.

5 (e) (1) Except as provided in subdivision (f), a damage waiver  
6 shall provide or, if not expressly stated in writing, shall be deemed  
7 to provide that the renter has no liability for a damage, loss, loss  
8 of use, or a cost or expense incident thereto.

9 (2) Except as provided in subdivision (f), every limitation,  
10 exception, or exclusion to a damage waiver is void and  
11 unenforceable.

12 (f) A rental company may provide in the rental contract that a  
13 damage waiver does not apply under any of the following  
14 circumstances:

15 (1) Damage or loss results from an authorized driver's (A)  
16 intentional, willful, wanton, or reckless conduct, (B) operation of  
17 the vehicle under the influence of drugs or alcohol in violation of  
18 Section 23152 of the Vehicle Code, (C) towing or pushing  
19 anything, or (D) operation of the vehicle on an unpaved road if  
20 the damage or loss is a direct result of the road or driving  
21 conditions.

22 (2) Damage or loss occurs while the vehicle is (A) used for  
23 commercial hire, (B) used in connection with conduct that could  
24 be properly charged as a felony, (C) involved in a speed test or  
25 contest or in driver training activity, (D) operated by a person other  
26 than an authorized driver, or (E) operated outside the United States.

27 (3) An authorized driver who has (A) provided fraudulent  
28 information to the rental company, or (B) provided false  
29 information and the rental company would not have rented the  
30 vehicle if it had instead received true information.

31 (g) (1) A rental company that offers or provides a damage  
32 waiver for any consideration in addition to the rental rate shall  
33 clearly and conspicuously disclose the following information in  
34 the rental contract or holder in which the contract is placed and,  
35 also, in signs posted at the place, such as the counter, where the  
36 renter signs the rental contract, and, for renters who are enrolled  
37 in the rental company's membership program, in a sign that shall  
38 be posted in a location clearly visible to those renters as they enter  
39 the location where their reserved rental cars are parked or near the  
40 exit of the bus or other conveyance that transports the enrollee to

1 a reserved car: (A) the nature of the renter's liability, such as  
2 liability for all collision damage regardless of cause, (B) the extent  
3 of the renter's liability, such as liability for damage or loss up to  
4 a specified amount, (C) the renter's personal insurance policy or  
5 the credit card used to pay for the car rental transaction may  
6 provide coverage for all or a portion of the renter's potential  
7 liability, (D) the renter should consult with his or her insurer to  
8 determine the scope of insurance coverage, including the amount  
9 of the deductible, if any, for which the renter is obligated, (E) the  
10 renter may purchase an optional damage waiver to cover all  
11 liability, subject to whatever exceptions the rental company  
12 expressly lists that are permitted under subdivision (f), and (F) the  
13 range of charges for the damage waiver.

14 (2) In addition to the requirements of paragraph (1), a rental  
15 company that offers or provides a damage waiver shall orally  
16 disclose to all renters, except those who are participants in the  
17 rental company's membership program, that the damage waiver  
18 may be duplicative of coverage that the customer maintains under  
19 his or her own policy of motor vehicle insurance. The renter's  
20 receipt of the oral disclosure shall be demonstrated through the  
21 renter's acknowledging receipt of the oral disclosure near that part  
22 of the contract where the renter indicates, by the renter's own  
23 initials, his or her acceptance or declination of the damage waiver.  
24 Adjacent to that same part, the contract also shall state that the  
25 damage waiver is optional. Further, the contract for these renters  
26 shall include a clear and conspicuous written disclosure that the  
27 damage waiver may be duplicative of coverage that the customer  
28 maintains under his or her own policy of motor vehicle insurance.

29 (3) The following is an example, for purposes of illustration  
30 and not limitation, of a notice fulfilling the requirements of  
31 paragraph (1) for a rental company that imposes liability on the  
32 renter for collision damage to the full value of the vehicle:

33  
34 "NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY  
35 AND OPTIONAL DAMAGE WAIVER  
36

37 You are responsible for all collision damage to the rented vehicle  
38 even if someone else caused it or the cause is unknown. You are  
39 responsible for the cost of repair up to the value of the vehicle,  
40 and towing, storage, and impound fees.

1 Your own insurance, or the issuer of the credit card you use to  
2 pay for the car rental transaction, may cover all or part of your  
3 financial responsibility for the rented vehicle. You should check  
4 with your insurance company, or credit card issuer, to find out  
5 about your coverage and the amount of the deductible, if any, for  
6 which you may be liable.

7 Further, if you use a credit card that provides coverage for your  
8 potential liability, you should check with the issuer to determine  
9 if you must first exhaust the coverage limits of your own insurance  
10 before the credit card coverage applies.

11 The rental company will not hold you responsible if you buy a  
12 damage waiver. But a damage waiver will not protect you if (list  
13 exceptions)."

14 (A) When the above notice is printed in the rental contract or  
15 holder in which the contract is placed, the following shall be printed  
16 immediately following the notice:

17 "The cost of an optional damage waiver is \$\_\_\_\_\_ for every (day  
18 or week)."

19 (B) When the above notice appears on a sign, the following  
20 shall appear immediately adjacent to the notice:

21 "The cost of an optional damage waiver is \$\_\_\_\_\_ to \$\_\_\_\_\_ for  
22 every (day or week), depending upon the vehicle rented."

23 (h) Notwithstanding any other provision of law, a rental  
24 company may sell a damage waiver subject to the following rate  
25 limitations for each full or partial 24-hour rental day for the damage  
26 waiver.

27 (1) For rental vehicles that the rental company designates as an  
28 "economy car," "subcompact car," "compact car," or another term  
29 having similar meaning when offered for rental, or another vehicle  
30 having a manufacturer's suggested retail price of nineteen thousand  
31 dollars (\$19,000) or less, the rate shall not exceed nine dollars  
32 (\$9).

33 (2) For rental vehicles that have a manufacturer's suggested  
34 retail price from nineteen thousand one dollars (\$19,001) to  
35 thirty-four thousand nine hundred ninety-nine dollars (\$34,999),  
36 inclusive, and that are also either vehicles of next year's model,  
37 or not older than the previous year's model, the rate shall not  
38 exceed fifteen dollars (\$15). For those rental vehicles older than  
39 the previous year's model-year, the rate shall not exceed nine  
40 dollars (\$9).

1 (i) The manufacturer's suggested retail prices described in  
2 subdivision (h) shall be adjusted annually to reflect changes from  
3 the previous year in the Consumer Price Index. For the purposes  
4 of this section, "Consumer Price Index" means the United States  
5 Consumer Price Index for All Urban Consumers, for all items.

6 (j) A rental company that disseminates in this state an  
7 advertisement containing a rental rate shall include in that  
8 advertisement a clearly readable statement of the charge for a  
9 damage waiver and a statement that a damage waiver is optional.

10 (k) (1) A rental company shall not require the purchase of a  
11 damage waiver, optional insurance, or another optional good or  
12 service.

13 (2) A rental company shall not engage in any unfair, deceptive,  
14 or coercive conduct to induce a renter to purchase the damage  
15 waiver, optional insurance, or another optional good or service,  
16 including conduct such as, but not limited to, refusing to honor  
17 the renter's reservation, limiting the availability of vehicles,  
18 requiring a deposit, or debiting or blocking the renter's credit card  
19 account for a sum equivalent to a deposit if the renter declines to  
20 purchase the damage waiver, optional insurance, or another  
21 optional good or service.

22 (l) (1) In the absence of express permission granted by the  
23 renter subsequent to damage to, or loss of, the vehicle, a rental  
24 company shall not seek to recover any portion of a claim arising  
25 out of damage to, or loss of, the rented vehicle by processing a  
26 credit card charge or causing a debit or block to be placed on the  
27 renter's credit card account.

28 (2) A rental company shall not engage in any unfair, deceptive,  
29 or coercive tactics in attempting to recover or in recovering on any  
30 claim arising out of damage to, or loss of, the rented vehicle.

31 (m) (1) A customer facility charge may be collected by a rental  
32 company under the following circumstances:

33 (A) Collection of the fee by the rental company is required by  
34 an airport operated by a city, a county, a city and county, a joint  
35 powers authority, a special district, or the San Diego County  
36 Regional Airport Authority formed pursuant to Division 17  
37 (commencing with Section 170000) of the Public Utilities Code.

38 (B) The fee is calculated on a per contract basis or as provided  
39 in paragraph (2).

1 (C) The fee is a user fee, not a tax imposed upon real property  
2 or an incidence of property ownership under Article XIII D of the  
3 California Constitution.

4 (D) Except as otherwise provided in subparagraph (E), the fee  
5 shall be ten dollars (\$10) per contract or the amount provided in  
6 paragraph (2).

7 (E) The fee for a consolidated rental car facility shall be  
8 collected only from customers of on-airport rental car companies.  
9 If the fee imposed by the airport is for both a consolidated rental  
10 car facility and a common-use transportation system, the fee  
11 collected from customers of on-airport rental car companies shall  
12 be ten dollars (\$10) or the amount provided in paragraph (2), but  
13 the fee imposed on customers of off-airport rental car companies  
14 who are transported on the common-use transportation system is  
15 proportionate to the costs of the common-use transportation system  
16 only. The fee is uniformly applied to each class of on-airport or  
17 off-airport customers, provided that the airport requires off-airport  
18 customers to use the common-use transportation system. For  
19 purposes of this subparagraph, “on-airport rental car company”  
20 means a rental company operating under an airport property lease  
21 or an airport concession or license agreement whose customers  
22 use or will use the consolidated rental car facility and the collection  
23 of the fee as to those customers is consistent with subparagraph  
24 (C).

25 (F) Revenues collected from the fee do not exceed the reasonable  
26 costs of financing, designing, and constructing the facility and  
27 financing, designing, constructing, and operating any common-use  
28 transportation system, or acquiring vehicles for use in that system,  
29 and shall not be used for any other purpose.

30 (G) The fee is separately identified on the rental agreement.

31 (H) This paragraph does not apply to fees which are governed  
32 by Section 50474.1 of the Government Code or Section 57.5 of  
33 the San Diego Unified Port District Act.

34 (I) For any airport seeking to require rental car companies to  
35 collect an alternative customer facility charge pursuant to paragraph  
36 (2), the following provisions apply:

37 (i) Notwithstanding Section 10231.5 of the Government Code,  
38 the airport shall provide reports on an annual basis to the Senate  
39 and Assembly Committees on Judiciary detailing all of the  
40 following:

1 (I) The total amount of the customer facility charge collected.

2 (II) How the funds are being spent.

3 (III) The amount of and reason for any changes in the airport's  
4 budget or financial needs for the facility or common-use  
5 transportation system.

6 (IV) Whether airport concession fees authorized by Section  
7 1936.01 have increased since the prior report, if any.

8 (ii) The airport shall complete the independent audit required  
9 by subparagraph (B) of paragraph (4) of subdivision (a) prior to  
10 initial collection of the customer facility charge, prior to any  
11 increase pursuant to paragraph (2), and every three years after  
12 initial collection and any increase until such time as the fee  
13 authorization becomes inoperative pursuant to subparagraph (C)  
14 of paragraph (4) of subdivision (a).

15 (iii) Use of the bonds shall be limited to construction and design  
16 of the consolidated rental car facility, terminal modifications, and  
17 operating costs of the common-use transportation system, as  
18 specified in paragraph (4) of subdivision (a).

19 (2) Any airport may require rental car companies to collect an  
20 alternative customer facility charge under the following conditions:

21 (A) The airport first conducts a publicly noticed hearing pursuant  
22 to the Ralph M. Brown Act (Chapter 9 (commencing with Section  
23 54950) of Part 1 of Division 2 of Title 5 of the Government Code)  
24 to review the costs of financing the design and construction of a  
25 consolidated rental car facility and the design, construction, and  
26 operation of any common-use transportation system in which all  
27 of the following occur:

28 (i) The airport establishes the amount of revenue necessary to  
29 finance the reasonable cost to design and construct a consolidated  
30 rental car facility and to design, construct, and operate any  
31 common-use transportation system, or acquire vehicles for use in  
32 that system, based on evidence presented during the hearing.

33 ~~(ii) The airport finds, based on evidence presented during the~~  
34 ~~hearing, that the fee authorized in paragraph (1) will not generate~~  
35 ~~sufficient revenue to finance the reasonable costs to design and~~  
36 ~~construct a consolidated rental car facility and to design, construct,~~  
37 ~~and operate any common-use transportation system, or acquire~~  
38 ~~vehicles for use in that system.~~

39 (iii)



1 (ii) The airport finds that the reasonable cost of the project  
2 requires the additional amount of revenue that would be generated  
3 by the proposed daily rate, including any rate increase, authorized  
4 pursuant to this paragraph.

5 (iv)

6 (iii) The airport outlines each of the following:

7 (I) Steps it has taken to limit costs.

8 (II) Other potential alternatives for meeting its revenue needs  
9 other than the collection of the fee.

10 (III) The extent to which rental car companies or other  
11 businesses or individuals using the facility or common-use  
12 transportation system will pay for the costs associated with these  
13 facilities and systems other than the fee from rental customers.

14 (B) The airport may not require the fee authorized in this  
15 paragraph to be collected at any time that the fee authorized in  
16 paragraph (1) of this subdivision is being collected.

17 (C) Pursuant to the procedure set forth in this subdivision, the  
18 fee may be collected at a rate charged on a per-day basis subject  
19 to the following conditions:

20 (i) Commencing January 1, 2011, the amount of the fee may  
21 not exceed six dollars (\$6) per day.

22 (ii) Commencing January 1, 2014, the amount of the fee may  
23 not exceed seven dollars and fifty cents (\$7.50) per day.

24 (iii) Commencing January 1, 2017, and thereafter, the amount  
25 of the fee may not exceed nine dollars (\$9) per day.

26 (iv) At no time shall the fee authorized in this paragraph be  
27 collected from any customer for more than five days for each  
28 individual rental car contract.

29 (v) An airport subject to this paragraph shall initiate the process  
30 for obtaining the authority to require or increase the alternative  
31 fee no later than January 1, 2018. Any airport that obtains the  
32 authority to require or increase an alternative fee shall be authorized  
33 to continue collecting that fee until the fee authorization becomes  
34 inoperative pursuant to subparagraph (C) of paragraph (4) of  
35 subdivision (a).

36 (3) Notwithstanding any other provision of law, including, but  
37 not limited to, Part 1 (commencing with Section 6001) to Part 1.7  
38 (commencing with Section 7280), inclusive, of Division 2 of the  
39 Revenue and Taxation Code, the fees collected pursuant to this  
40 section, or another law whereby a local agency operating an airport

1 requires a rental car company to collect a facility financing fee  
2 from its customers, are not subject to sales, use, or transaction  
3 taxes.

4 (n) (1) A rental company shall only advertise, quote, and charge  
5 a rental rate that includes the entire amount except taxes, a  
6 customer facility charge, if any, and a mileage charge, if any, that  
7 a renter must pay to hire or lease the vehicle for the period of time  
8 to which the rental rate applies. A rental company shall not charge  
9 in addition to the rental rate, taxes, a customer facility charge, if  
10 any, and a mileage charge, if any, any fee that is required to be  
11 paid by the renter as a condition of hiring or leasing the vehicle,  
12 including, but not limited to, required fuel or airport surcharges  
13 other than customer facility charges, nor a fee for transporting the  
14 renter to the location where the rented vehicle will be delivered to  
15 the renter.

16 (2) In addition to the rental rate, taxes, customer facility charges,  
17 if any, and mileage charges, if any, a rental company may charge  
18 for an item or service provided in connection with a particular  
19 rental transaction if the renter could have avoided incurring the  
20 charge by choosing not to obtain or utilize the optional item or  
21 service. Items and services for which the rental company may  
22 impose an additional charge include, but are not limited to, optional  
23 insurance and accessories requested by the renter, service charges  
24 incident to the renter's optional return of the vehicle to a location  
25 other than the location where the vehicle was hired or leased, and  
26 charges for refueling the vehicle at the conclusion of the rental  
27 transaction in the event the renter did not return the vehicle with  
28 as much fuel as was in the fuel tank at the beginning of the rental.  
29 A rental company also may impose an additional charge based on  
30 reasonable age criteria established by the rental company.

31 (3) A rental company shall not charge a fee for authorized  
32 drivers in addition to the rental charge for an individual renter.

33 (4) If a rental company states a rental rate in print advertisement  
34 or in a telephonic, in-person, or computer-transmitted quotation,  
35 the rental company shall disclose clearly in that advertisement or  
36 quotation the terms of mileage conditions relating to the advertised  
37 or quoted rental rate, including, but not limited to, to the extent  
38 applicable, the amount of mileage and gas charges, the number of  
39 miles for which no charges will be imposed, and a description of  
40 geographic driving limitations within the United States and Canada.

1 (5) (A) When a rental rate is stated in an advertisement,  
2 quotation, or reservation in connection with a car rental at an airport  
3 where a customer facility charge is imposed, the rental company  
4 shall disclose clearly the existence and amount of the customer  
5 facility charge. For purposes of this subparagraph, advertisements  
6 include radio, television, other electronic media, and print  
7 advertisements. For purposes of this subparagraph, quotations and  
8 reservations include those that are telephonic, in-person, and  
9 computer-transmitted. If the rate advertisement is intended to  
10 include transactions at more than one airport imposing a customer  
11 facility charge, a range of fees may be stated in the advertisement.  
12 However, all rate advertisements that include car rentals at airport  
13 destinations shall clearly and conspicuously include a toll-free  
14 telephone number whereby a customer can be told the specific  
15 amount of the customer facility charge to which the customer will  
16 be obligated.

17 (B) If a person or entity other than a rental car company,  
18 including a passenger carrier or a seller of travel services, advertises  
19 or quotes a rate for a car rental at an airport where a customer  
20 facility charge is imposed, that person or entity shall, provided  
21 that he, she, or it is provided with information about the existence  
22 and amount of the fee, to the extent not specifically prohibited by  
23 federal law, clearly disclose the existence and amount of the fee  
24 in any telephonic, in-person, or computer-transmitted quotation at  
25 the time of making an initial quotation of a rental rate and at the  
26 time of making a reservation of a rental car. If a rental car company  
27 provides the person or entity with rate and customer facility charge  
28 information, the rental car company is not responsible for the  
29 failure of that person or entity to comply with this subparagraph  
30 when quoting or confirming a rate to a third person or entity.

31 (6) If a rental company delivers a vehicle to a renter at a location  
32 other than the location where the rental company normally carries  
33 on its business, the rental company shall not charge the renter an  
34 amount for the rental for the period before the delivery of the  
35 vehicle. If a rental company picks up a rented vehicle from a renter  
36 at a location other than the location where the rental company  
37 normally carries on its business, the rental company shall not  
38 charge the renter an amount for the rental for the period after the  
39 renter notifies the rental company to pick up the vehicle.

1 (o) A rental company shall not use, access, or obtain any  
2 information relating to the renter's use of the rental vehicle that  
3 was obtained using electronic surveillance technology, except in  
4 the following circumstances:

5 (1) (A) When the equipment is used by the rental company  
6 only for the purpose of locating a stolen, abandoned, or missing  
7 rental vehicle after one of the following:

8 (i) The renter or law enforcement has informed the rental  
9 company that the vehicle is missing or has been stolen or  
10 abandoned.

11 (ii) The rental vehicle has not been returned following one week  
12 after the contracted return date, or by one week following the end  
13 of an extension of that return date.

14 (iii) The rental company discovers the rental vehicle has been  
15 stolen or abandoned, and, if stolen, it shall report the vehicle stolen  
16 to law enforcement by filing a stolen vehicle report, unless law  
17 enforcement has already informed the rental company that the  
18 vehicle is missing or has been stolen or abandoned.

19 (B) If electronic surveillance technology is activated pursuant  
20 to subparagraph (A), a rental company shall maintain a record, in  
21 either electronic or written form, of information relevant to the  
22 activation of that technology. That information shall include the  
23 rental agreement, including the return date, and the date and time  
24 the electronic surveillance technology was activated. The record  
25 shall also include, if relevant, a record of written or other  
26 communication with the renter, including communications  
27 regarding extensions of the rental, police reports, or other written  
28 communication with law enforcement officials. The record shall  
29 be maintained for a period of at least 12 months from the time the  
30 record is created and shall be made available upon the renter's  
31 request. The rental company shall maintain and furnish explanatory  
32 codes necessary to read the record. A rental company shall not be  
33 required to maintain a record if electronic surveillance technology  
34 is activated to recover a rental vehicle that is stolen or missing at  
35 a time other than during a rental period.

36 (2) In response to a specific request from law enforcement  
37 pursuant to a subpoena or search warrant.

38 (3) This subdivision does not prohibit a rental company from  
39 equipping rental vehicles with GPS-based technology that provides  
40 navigation assistance to the occupants of the rental vehicle, if the

1 rental company does not use, access, or obtain information relating  
2 to the renter's use of the rental vehicle that was obtained using  
3 that technology, except for the purposes of discovering or repairing  
4 a defect in the technology and the information may then be used  
5 only for that purpose.

6 (4) This subdivision does not prohibit a rental company from  
7 equipping rental vehicles with electronic surveillance technology  
8 that allows for the remote locking or unlocking of the vehicle at  
9 the request of the renter, if the rental company does not use, access,  
10 or obtain information relating to the renter's use of the rental  
11 vehicle that was obtained using that technology, except as  
12 necessary to lock or unlock the vehicle.

13 (5) This subdivision does not prohibit a rental company from  
14 equipping rental vehicles with electronic surveillance technology  
15 that allows the company to provide roadside assistance, such as  
16 towing, flat tire, or fuel services, at the request of the renter, if the  
17 rental company does not use, access, or obtain information relating  
18 to the renter's use of the rental vehicle that was obtained using  
19 that technology except as necessary to provide the requested  
20 roadside assistance.

21 (6) This subdivision does not prohibit a rental company from  
22 obtaining, accessing, or using information from electronic  
23 surveillance technology for the sole purpose of determining the  
24 date and time the vehicle is returned to the rental company, and  
25 the total mileage driven and the vehicle fuel level of the returned  
26 vehicle. This paragraph, however, shall apply only after the renter  
27 has returned the vehicle to the rental company, and the information  
28 shall only be used for the purpose described in this paragraph.

29 (p) A rental company shall not use electronic surveillance  
30 technology to track a renter in order to impose fines or surcharges  
31 relating to the renter's use of the rental vehicle.

32 (q) A renter may bring an action against a rental company for  
33 the recovery of damages and appropriate equitable relief for a  
34 violation of this section. The prevailing party shall be entitled to  
35 recover reasonable attorney's fees and costs.

36 (r) A rental company that brings an action against a renter for  
37 loss due to theft of the vehicle shall bring the action in the county  
38 in which the renter resides or, if the renter is not a resident of this  
39 state, in the jurisdiction in which the renter resides.

1 (s) A waiver of any of the provisions of this section shall be  
2 void and unenforceable as contrary to public policy.

3 (t) (1) A rental company's disclosure requirements shall be  
4 satisfied for renters who are enrolled in the rental company's  
5 membership program if all of the following conditions are met:

6 (A) Prior to the enrollee's first rental as a participant in the  
7 program, the renter receives, in writing, the following:

8 (i) All of the disclosures required by paragraph (1) of subdivision  
9 (g), including the terms and conditions of the rental agreement  
10 then in effect.

11 (ii) An Internet Web site address, as well as a contact number  
12 or address, where the enrollee can learn of changes to the rental  
13 agreement or to the laws of this state governing rental agreements  
14 since the effective date of the rental company's most recent  
15 restatement of the rental agreement and distribution of that  
16 restatement to its members.

17 (B) At the commencement of each rental period, the renter is  
18 provided, on the rental record or the folder in which it is inserted,  
19 with a printed notice stating that he or she had either previously  
20 selected or declined an optional damage waiver and that the renter  
21 has the right to change preferences.

22 (C) At the commencement of each rental period, the rental  
23 company provides, on the rearview mirror, a hanger on which a  
24 statement is printed, in a box, in at least 12-point boldface type,  
25 notifying the renter that the collision damage waiver offered by  
26 the rental company may be duplicative of coverage that the  
27 customer maintains under his or her own policy of motor vehicle  
28 insurance. If it is not feasible to hang the statement from the  
29 rearview mirror, it shall be hung from the steering wheel.

30 The hanger shall provide the renter a box to initial if he or she  
31 (not his or her employer) has previously accepted or declined the  
32 collision damage waiver and that he or she now wishes to change  
33 his or her decision to accept or decline the collision damage waiver,  
34 as follows:

35 "☐ If I previously accepted the collision damage waiver, I  
36 now decline it.

37 ☐ If I previously declined the collision damage waiver, I now  
38 accept it."

39 The hanger shall also provide a box for the enrollee to indicate  
40 whether this change applies to this rental transaction only or to all

1 future rental transactions. The hanger shall also notify the renter  
2 that he or she may make that change, prior to leaving the lot, by  
3 returning the form to an employee designated to receive the form  
4 who is present at the lot where the renter takes possession of the  
5 car, to receive any change in the rental agreement from the renter.

6 (2) (A) This subdivision is not effective unless the employee  
7 designated pursuant to subparagraph (E) of paragraph (8) of  
8 subdivision (a) is actually present at the required location.

9 (B) This subdivision does not relieve the rental company from  
10 the disclosures required to be made within the text of a contract  
11 or holder in which the contract is placed; in or on an advertisement  
12 containing a rental rate; or in a telephonic, in-person, or  
13 computer-transmitted quotation or reservation.

14 (u) The amendments made to this section during the 2001–02  
15 Regular Session of the Legislature do not affect litigation pending  
16 on or before January 1, 2003, alleging a violation of Section 22325  
17 of the Business and Professions Code as it read at the time the  
18 action was commenced.

19 (v) This section shall become operative on January 1, 2015.